

ployees of the Second Called Session of the Thirty-Sixth Legislature of the State of Texas.

SEC. 2. The signature of the Chief Clerk of the House, approved by the Speaker thereof, or the Secretary of the Senate, approved by the President thereof, shall be sufficient evidence to the Comptroller upon which to audit the claims and issue the warrants for same upon the State Treasury for the respective amounts.

SEC. 3. Whereas, the Second Called Session of the Thirty-Sixth Legislature is in session and public policy requires the appropriation as set forth in Section One of this Act; Therefore, an imperative public necessity exists that the constitutional rule requiring bills to be read on three several days in each House be suspended and the same is hereby suspended and this Act take effect from and after its passage, and it is so enacted.

Approved July 22, 1919.

Became effective July 22, 1919.

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PROVIDING FOR LEASING OF SALT WATER LAKES, BAYS,  
ETC., AND OF UNSURVEYED PUBLIC FREE SCHOOL  
LANDS FOR THE PRODUCTION OF OIL AND GAS.

S. B. No. 56.]

CHAPTER 19.

An Act to lease islands, salt water lakes, bays, inlets, reefs and marshes owned by the State within tide water limits, and that portion of the Gulf of Mexico within the jurisdiction of the State of Texas, and the unsurveyed public free school lands, for the production of oil and natural gas; authorizing the Commissioner of the General Land Office to adopt necessary rules and regulations in relation thereto; prescribing the terms upon which leases may be issued; providing for the advertisement of the areas before they are leased; prescribing the requirements for applications; providing for the recognition or abandonment of former surveys; prescribing how and when royalty shall be paid; appropriating the proceeds to the public free school fund and the general revenue fund; creating a first lien in favor of the State; providing for offset wells; providing against pollution of water and authorizing the Game, Fish & Oyster Commissioner to enforce rules against such pollution; providing that leases may be transferred or relinquished to the State; providing for forfeiture of lease if the owner should fail or refuse to comply with the law and rules and regulations adopted relative thereto; providing for opening of roads as ways of ingress and egress to and from leased areas; providing for the protection of valid rights heretofore acquired and declaring an emergency.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. All islands, salt water lakes, bays, inlets, marshes and reefs owned by the State within tide water limits, and that portion of the Gulf of Mexico within the jurisdiction of Texas, and the unsurveyed public free school lands shall be included herein and shall be subject to lease by the Commissioner of the General Land Office to any person, firm, or corporation for the production of oil and natural gas that may be therein or thereunder in ac-

cordance with the provisions of this Act, and such rules and regulations as may be adopted by said Commissioners as being necessary to the proper execution of its purposes.

SEC. 2. The areas included herein shall be leased for one-eighth of the gross production of oil, or the value of same, that may be produced and saved and one-eighth of the gross production of gas, or the value of same, that may be produced and sold off of the area, and ten cents per acre in advance for the first year and thereafter in advance an additional sum of twenty-five cents per acre for the second year, and fifty cents per acre for the third year and one dollar per acre for each and every year thereafter, not to exceed ten years, that the owner of the lease shall desire to hold the rights granted therein, and until production is secured in commercial quantities, and in addition thereto such sum of money, if any, that one may pay therefor; provided, whenever production shall have been secured in commercial quantities, and the payment of royalty begins and continues to be paid, as provided herein, the owner shall be exempt from further annual payments on the acreage. If production should cease and royalty not be paid, the owner of the lease shall, at the end of the lease year in which royalty ceased to be paid, and annually thereafter in advance pay one dollar per acre so long as such owner may desire to maintain the rights acquired under the lease not to exceed ten years from the date of said lease.

SEC. 3. The Commissioner of the General Land Office shall fix the day and hour when an area or areas will be subject to lease and he shall advertise or readvertise such area or areas at least thirty days before such lease date, except as elsewhere provided in the event of tie bids. If there should be no other sufficient means for giving the necessary publicity as to what areas will be subject to lease and the time when applications may be filed the Commissioner shall have lists of such areas printed for free distribution at the expense of the State which expense shall be paid out of the appropriation for public printing. Such lists shall contain a brief designation of the areas subject to lease and the terms upon which they may be leased and the time when applications therefor may be filed in the General Land Office.

SEC. 4. Applications for separate areas and the first payment of ten cents per acre and the sum offered in addition thereto, if any, for any area shall be delivered into the General Land Office on or before the day and hour on which the area will be subject to lease in sealed envelopes on which shall be endorsed in substance "Application to lease Minerals," and in addition thereto the date the area will be subject to lease. All envelopes so endorsed shall be securely kept by the Commissioner or his Chief Clerk unopened, until the date on which applications are to be opened and at said hour either or both of them shall begin to open the envelopes in the presence of such persons as may desire to be present. All applications received up to the opening hour whether open or sealed, endorsed or not endorsed, shall be considered as properly delivered into the General Land Office. An application which includes two

or more areas or is for a price less than the fixed royalty and price per acre shall be void. When an application shall have been filed and considered and the area found to be subject to lease, the lease shall be issued for a term not to exceed twenty-five years to the applicant that pays the most, if any sum, for the area in addition to the fixed price per acre and the stipulated royalty. If production should not be secured in ten years the lease shall terminate and the area again be subject to lease as in the first instance. A duplicate of the lease shall be kept on file in the General Land Office. If two or more persons should offer the same price for the same area and the same should be the highest price offered, all shall be rejected and a date fixed within the discretion of the Commissioner, but not later than the fifteenth day of the following month, when the area will be subject to lease as in the first instance; provided, if the time so fixed should be a date prior to the said fifteenth day of the next month an application at a price less than the former sum offered shall not be considered. All sums paid upon rejected applications shall be returned by the State Treasurer.

SEC. 5. For the purpose of executing the provisions of this Act to the best interest of the State the Commissioner of the General Land Office may recognize or decline to recognize any survey or surveys heretofore made of any area included herein. Such survey as may be so recognized shall be advertised and shall be subject to lease as a whole. Such surveys as may not be so recognized shall be deemed, together with all adjacent unsurveyed areas, as one unsurveyed area, and the said Commissioner shall advertise the whole or designated portions thereof for lease, and such whole area or designated portions thereof as may be so advertised shall be subject to lease as a whole according to the advertisement; provided, field notes for such unsurveyed area may, in the discretion of the Commissioner, be required before a lease is issued therefor.

SEC. 6. Royalty equal to one-eighth of the value of the gross production, as herein, provided, shall be paid to the State on or before the twentieth day of each month for the preceding month during the life of the lease, and it shall be accompanied by the sworn statement of the owner, manager, or other authorized agent, showing the gross amount of oil produced and saved since the last report, and the amount of gas produced and sold off the area, and the market value of the oil and gas together with a copy of all daily guages of tanks, gas meter readings, if any, pipe line receipts, gas line receipts and other checks or memoranda of amount produced and put into pipe lines, tanks, or pools, and gas lines or gas storage. The books and accounts, the receipts and discharges of all lines, tanks, pools and meters, and all contracts and other records pertaining to the production, transportation, sale and marketing of the oil and gas shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of either.

SEC. 7. Royalty and all other sums shall be due and payable to the State at Austin, Texas, and shall be paid to the Commissioner of the General Land Office and he shall transmit all remittances

in the form received to the State Treasurer who shall credit the permanent free school fund with all amounts received from the unsurveyed school lands and with two-thirds of the amount so received from other areas and shall credit the general revenue fund with the remaining one-third from said other areas. All payments shall be in the form of cash, bank draft on some State or National Bank in Texas, or Post-Office or Express money order, or such other form as may be prescribed by law, for making remittances to the State Treasury.

SEC. 8. The State shall have a first lien upon all oil and gas produced upon any lease area to secure the payment of all unpaid royalty and other sum or sums of money that may be due and become due under the provisions of this Act.

SEC. 9. If oil or gas should be produced in commercial quantities in a well on an area privately owned which well should be within one thousand feet of an area leased under this Act, the owner of the lease on such State area shall, within sixty days after the initial production on such privately owned area, begin in good faith and prosecute diligently the drilling of an offset well or wells on the area so leased from the State and such offset well or wells shall be drilled to such depth and use such means as may be necessary to prevent the undue drainage of oil or gas from beneath such State area. A log of each well, whether producer or non-producer, shall be filed in the General Land Office within thirty days after the well has been completed or abandoned.

SEC. 10. The development of wells and the development and operation upon the areas included herein shall be done so far as practicable in such manner as to prevent such pollution of the water as will destroy fish, oysters and other sea food and it shall be the duty of the Game, Fish & Oyster Commissioner to enforce such rules and regulations as may be prescribed for that purpose by the Commissioner of the General Land Office.

SEC. 11. One may transfer his lease at any time and such transfer shall be recorded in the County or counties in which the area or part thereof is situated and within ninety days after the date of its execution the recorded transfer or certified copy of same shall be filed in the General Land Office accompanied by one dollar as filing fee, and thereby the assignee shall succeed to all the rights and be subject to all the obligations and penalties of the original lessee. An owner may relinquish his lease to the State at any time by having the relinquishment recorded in the county or counties in which the area or part thereof is situated and within ninety days after the date of its execution the recorded relinquishment or certified copy of same shall be filed in the General Land Office accompanied by one dollar as filing fee, and thereby the owner of such lease shall be relieved of any further obligations to the State, but such relinquishment shall not have the effect to release the owner from any obligations or liabilities theretofore accrued in favor of the State.

SEC. 12. If the owner of a lease should fail or refuse to make the payment of any sum due either on an area or royalty on the pro-

duction within thirty days after same shall become due, or if such owner or his authorized agent should knowingly make any false return or false report concerning production, royalty, or drilling, or if such owner should fail or refuse to drill any offset well or wells in good faith as required by this Act and the rules and regulations adopted by the Commissioner of the General Land Office, or if such owner or his agent should refuse the proper authority access to the records pertaining to the operations under this Act, or if such owner or his authorized agent should knowingly fail or refuse to give correct information to the proper authority, or fail or refuse to furnish the log of any well as provided herein, such lease shall be subject to forfeiture by the Commissioner of the General Land Office and when sufficiently informed of the facts which authorize a forfeiture, the Commissioner of the General Land Office shall forfeit same, and the area shall be subject to lease again to another than to such forfeiting owner after due advertisement; provided, such forfeiture may be set aside and the lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence of future compliance with the provisions of this Act and the rules and regulations authorized to be adopted for the purpose of executing its provisions.

SEC. 13. Whenever it may be necessary for the owner of a lease acquired under this Act to enter the enclosed land of another for the purpose of ingress and egress to and from the area so leased from the State and such lessee and owner of enclosure or agent of such owner cannot agree upon the place of such entry, nor the conditions of such entry, the lessee or his agent may petition the Commissioners Court of the County or Counties in which such enclosure may be situated in whole or in part for the opening of such way of ingress and egress aforesaid as may be necessary. Upon the filing of such petition it shall be the duty of said Court or Courts to proceed to lay out and establish in the manner provided for the laying out of third class public roads, such road or roads as may be necessary for the purposes named herein.

SEC. 14. Nothing in this Act shall be construed to affect or impair valid rights that may have been acquired by virtue of any valid application heretofore filed nor any valid permit or lease heretofore issued upon any area included in this Act, but such rights, obligations, and penalties attaching thereto shall remain in full force and effect so far as it may relate to the areas included herein.

SEC. 15. So much of Chapter 83, of an Act approved March 16, 1917, as relates to the leasing of the areas included in this Act is hereby repealed so far as it includes and provides for the leasing of said areas.

SEC. 16. The importance of the legislation proposed and the short term of this Special Session creates an emergency and an imperative public necessity exists that the constitutional rule requiring bills to be read three separate days in each House should be suspended and this bill be placed upon third reading and final passage and that it take effect from and after its passage.

[NOTE.—H. B. No. 56 passed the Senate on July 11, 1919, by a

vote of 27 yeas and 0 nays; and passed the House of Representatives on July 21, 1919, by a vote of 103 yeas and 1 nay.]

Approved July 23, 1919.

Became effective July 23, 1919.

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AMENDING ACTS RELATING TO THE MAXIMUM FEES  
THAT MAY BE RETAINED BY COUNTY JUDGE AND  
OTHER COUNTY OFFICERS.

S. B. No. 60.]

CHAPTER 20.

An Act to amend Article 3889 of the Revised Civil Statutes of 1911, as said article was amended by House Bill No. 449, Chapter 158 of the Regular Session of the Thirty-sixth Legislature of the State of Texas, relating to the maximum fees that may be retained by the County Judge, Sheriff, Clerk of the County Court, County Attorney, Clerk of the District Court, Collector of Taxes, Assessor of Taxes, Justice of the Peace, and Constables in Counties of this State having a population of less than Twenty-five Thousand; and providing for the fees of such county officers in all counties of such population that constitute a separate judicial district; and declaring emergency.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. That Article 3889 of the Revised Civil Statutes of 1911, as amended by Section 3 of H. B. No. 449, Chapter 158 of the Acts of the Thirty-sixth Legislature at its Regular Session be amended so that same shall hereafter read as follows:

Article 3889. Each officer named in this Chapter shall first, out of the fees of his office, pay or be paid the amount allowed him under this provisions of this Chapter, together with the salaries of his assistants or deputies. If the fees of such office collected in any one year be more than the amount needed to pay the amount allowed such officer and his assistants and deputies, same shall be deemed excess fees and such excess fees such officer in counties having less than twenty-five thousand inhabitants shall retain one-fourth until such one-fourth amounts to the sum of Twelve Hundred Dollars; and in counties having between twenty-five and thirty-eight thousand inhabitants such officer shall retain one-fourth of the excess fees until such one-fourth amounts to the sum of Twelve Hundred and Fifty Dollars; and in Counties having more than thirty-eight thousand inhabitants such officer shall retain one-fourth of the excess fees until such one-fourth amounts to the sum of Fifteen Hundred (\$1500.00) Dollars. Such population to be based on the United Census next preceding any given year. All fees collected by officers named in Article 3881 to 3886 of the Revised Statutes of 1911 during any fiscal year in excess of the maximum amount allowed by law, and of the one-fourth of the excess of the maximum amount allowed for their services, and for the services of their deputies or assistants as herein provided for shall be paid into the county treasury of the county